

**DRAFT**

# **Standing Appropriations Bill House Study Bill 262 LSB3667H**

Proposed Action:

**House Appropriations  
Committee**

May 2, 2001

**An Act relating to public expenditure and regulatory matters, making and reducing appropriations, and including effective date and retroactive applicability provisions.**

**Executive Summary Only**



## **LEGISLATIVE FISCAL BUREAU**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

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## EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

## LSB3667H STANDING APPROPRIATIONS BILL

### ***DIVISION I*** - DEPARTMENT OF HUMAN SERVICES – FY 2003 APPROPRIATION

- Appropriates \$14.9 million from the General Fund in FY 2003 for county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment. This represents a 2.48% growth factor.

### ***DIVISION II*** - STANDING APPROPRIATIONS REDUCTIONS

#### GENERAL ASSEMBLY & LEGISLATIVE AGENCIES

- Makes a total of reduction of \$35.6 million from the budgeted FY 2002 standing appropriations. This is a reduction of \$35.3 million from the FY 2001 estimated net appropriations.

- Reduces the FY 2002 standing appropriations for the General Assembly and the legislative agencies by \$1.5 million.

DETAIL: A total of \$26.5 million is budgeted for FY 2002. This represents an estimated 5.9% reduction.

#### PERFORMANCE OF DUTY

- Reduces the FY 2002 standing appropriation for Performance of Duty by the Executive Council by \$1.0 million.

DETAIL: A total of \$2.5 million was originally budgeted for FY 2002. This reduction leaves an estimated appropriation of \$1.5 million.

#### STATE APPEAL BOARD

- Reduces the FY 2002 standing appropriation for State Appeal Board Claims by \$2.0 million.

DETAIL: A total of \$7.5 million was originally budgeted. This reduction leaves an estimated appropriation of \$5.5 million.

#### SECRETARY OF STATE

- Reduces the FY 2002 standing appropriation to the Secretary of State for printing constitutional amendments and public measures by \$2,565.

DETAIL: This would eliminate the appropriation for FY 2002. No funds were requested in FY 2002.

#### AREA EDUCATION AGENCIES

- Reduces the General Fund amount of State school foundation aid that school districts receive for funding for Area Education Agencies by \$6.5 million in FY 2002. Requires the Department of Management to calculate the reduction on a prorated basis based upon the total each school district would have received if no reduction were imposed. Allows Area Education Agencies to use funds from the Media Services Program and the Educational Services Program to maintain the level required for the Special Education Support Services Program.

DETAIL: This is a reduction of \$6.5 million to the estimated FY 2000 School Foundation Aid appropriation. Costs of the Media Services Program and the Educational Services Program are entirely funded through local property taxes.

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**LSB3667H  
STANDING APPROPRIATIONS BILL**

**SCHOOL TECHNOLOGY**

- Reduces the FY 2002 standing appropriation to the Department of Education for the School Improvement Technology Block Grant Program by \$20.0 million.

DETAIL: This is a reduction of \$20.0 million to the FY 2002 standing appropriation of \$30.0 million. The Program was provided a standing appropriation of \$30.0 million in FY 2002 and FY 2003. The minimum amount an individual school district will receive is \$10,000 in both FY 2002 and FY 2003.

**AT-RISK CHILDREN PROGRAMS**

- Reduces the FY 2002 standing appropriation to the Department of Education for At-Risk Children Programs by \$1.0 million. Requires the reduction be prorated among the grant programs.

DETAIL: The Program was provided a standing appropriation of \$12.6 million in FY 2002. The standing appropriation will be restored to \$12.6 million in FY 2003. The estimated reduction will be prorated among the following:

- Funding to Area Education Agencies will be reduced by approximately \$20,000.
- Funding to the Child Development Coordinating Council Grants will be reduced by approximately \$690,000.
- Funding to local school districts with elementary schools that demonstrate the greatest need for at-risk programs will be reduced by approximately \$290,000.

**NONPUBLIC SCHOOL  
TRANSPORTATION**

- Reduces the FY 2002 standing appropriation to the Department of Education for Nonpublic School Transportation by \$505,000.

DETAIL: The estimated FY 2001 standing appropriation is \$8.2 million.

**EDUCATIONAL EXCELLENCE –  
PHASE III**

- Reduces the FY 2002 standing appropriation to the Department Education for Phase III of the Educational Excellence Program by \$2.0 million.

DETAIL: The estimated FY 2001 standing appropriation for Phase III is \$23.4 million. Phase III is funded with dollars remaining from the annual appropriation after Phases I and II and several special program appropriations have been fully funded. Funds are allocated to districts and Area Education Agencies on a per-pupil basis, using the annual certified enrollment.

**PUBLIC TRANSIT ASSISTANCE**

- Reduces the FY 2002 standing appropriation to the Department of Transportation Public Transit Assistance by \$660,000.

DETAIL: A total of \$11.0 million was originally budgeted in FY 2002 for this purpose. This reduces the estimated appropriation to \$10.3 million.

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**LSB3667H  
STANDING APPROPRIATIONS BILL**

**INDIAN SETTLEMENT OFFICER**

- Reduces the FY 2002 standing appropriation to the County of Tama for the Indian Settlement Officer by \$25,000.

DETAIL: This eliminates the appropriation for FY 2002.

**DEPARTMENT OF CORRECTIONS**

- Reduces the FY 2002 appropriation to the Department of Corrections for the payment of special court costs and attorney fees by \$66,000.

DETAIL: This eliminates the appropriation for FY 2002.

**POULTRY SHOW EXHIBITION**

- Eliminates the standing appropriation for the poultry show exhibition reimbursement.

DETAIL: This was a standing limited appropriation of \$500.

***DIVISION III* – LAW ENFORCEMENT  
PHYSICAL EXAMS**

- Requires that the physical exam of applicants for law enforcement and fire fighter positions be conducted in accordance with the directives of the board of trustees of the fire and police retirement system rather than by the appointed three-member medical board.

***DIVISION IV* – DEBT SERVICE AND  
TOBACCO FUND APPROPRIATIONS  
TUITION REPLACEMENT**

- Makes a contingent appropriation of \$26.1 million from the General Fund for FY 2002 to the Board of Regents for allocation to the University of Iowa, Iowa State University, and the University of Northern Iowa for reimbursement for tuition replacement. This appropriation is in lieu of the General Fund appropriation made in SF 535, the Education Appropriations Bill and is contingent upon enactment of SF 532, the Tobacco Securitization Bill.

DETAIL: This appropriation reimburses the universities for principal and interest payments on Academic Revenue Bonds.

- Makes a contingent appropriation of \$600,000 from the Tobacco Settlement Fund for FY 2002 to the Board of Regents for allocation to the University of Iowa, Iowa State University, and the University of Northern Iowa for reimbursement for tuition replacement. This appropriation is in lieu of the General Fund appropriation made in SF 535, the Education Appropriations Bill, and is contingent upon enactment of SF 532, the Tobacco Securitization Bill, and the receipt of bond proceeds.

DETAIL: These two appropriations total \$26.7 million and are in lieu of the \$26.7 million appropriation from the General Fund made in SF 535, the Education Appropriations Bill.

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**LSB3667H  
STANDING APPROPRIATIONS BILL**

**ICN DEBT SERVICE**

- Makes a contingent appropriation of \$9.9 million from the General Fund to the Treasurer of State for debt service for the Iowa Communications Network. This appropriation is in lieu of the General Fund appropriation made in HF 719, the Oversight and Communications Appropriations Bill, and is contingent upon enactment of SF 532, the Tobacco Securitization Bill.
- Makes a contingent appropriation of \$1.5 million from the Tobacco Settlement Fund to the Treasurer of State for debt service for the Iowa Communications Network. This appropriation is in lieu of the General Fund appropriation made in HF 719, the Oversight and Communication Appropriations Bill, and is contingent upon enactment of SF 532, the Tobacco Securitization Bill, and the receipt of bond proceeds.

DETAIL: These two appropriation total \$11.4 million and are in lieu of the \$11.4 million appropriation from the General Fund in HF 719, the Oversight and Communications Bill.

- Requires that funds appropriated in this Division for the ICN debt service be deposited in a separate fund in the Treasurer's Office used solely for debt service for the ICN.

**PRISON INFRASTRUCTURE BONDS**

- Makes a contingent appropriation of \$5.2 million from the Tax-exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund to the Treasurer of State for repayment of prison infrastructure bonds. The appropriation is contingent upon the enactment of SF 532, the Tobacco Securitization Bill.
- Makes a contingent appropriation of \$10.6 million from the Tax-exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund to the Department of Justice for payment of litigation fees incurred pursuant to the tobacco master settlement agreement. The appropriation is contingent upon the enactment of SF 532, the Tobacco Securitization Bill.
- Provides that the appropriations are effective only if SF 532 is enacted and the Tobacco Settlement Authority securitizes Tobacco Master Settlement Agreement payments. The effective date is the date of the receipt of the bond proceeds by the Tobacco Settlement Authority and the deposit into the designated accounts.

**DIVISION V – MISCELLANEOUS**

- Requires that the interest and earnings on money deposited in the Iowa Economic Emergency fund and the Cash Reserve Fund be credited to the General Fund for FY 2002.

DETAIL: It is estimated that \$31.0 million will be deposited in the General Fund. Under current law, the interest flows to the Rebuild Iowa Infrastructure Fund (RIIF).

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**LSB3667H  
STANDING APPROPRIATIONS BILL**

**HUNTER SAFETY INSTRUCTORS**

**DIVISION VI – SCHEDULED  
VIOLATIONS**

**DIVISION VII – CORRECTIVE  
AMENDMENTS**

**CODE EDITOR DIRECTION**

- Allows certified hunter safety and ethics instructors to conduct hunter safety and ethics education course on public school property.
- Makes corrective changes to the Code of Iowa relating to scheduled violations. Senate File 499, Scheduled Fines, reorganizes the Code placement of scheduled fines in Chapter 805 and changes some of the fines. This Bill makes corrective changes contingent upon the enactment of SF 499.
- Makes corrective amendments to the following 2001 Iowa Acts:
  - SF 185 (Factory Built Structures), if HF 656 is enacted.
  - SF 209 (Livestock-Johne's Disease)
  - SF 453 (Administrative Procedures of Certain County Officers)
  - HF 179 (Dogs Used by Police or Correctional Officers)
  - SF 479 (Wastewater Systems)
  - SF 500 (Operation and Regulation of Insurance Companies et al)
  - SF 276 (Licensure of Insurance Producers)
  - SF 473 (Securities Agent)
  - HF 259 (Secretary of State – Notarial Officers)
  - SF 63 (Child Endangerment)
  - HF 656 (Manufactured Homes)
- Chapter 1149, Section 96, 2000 Iowa Acts (New Article of the Uniform Commercial Code, taking effect July 1, 2001)
- Section 633.4213, Code of Iowa (Duties of a Trustee)
- Directs the Code Editor to make corrective changes to the new article of the Uniform Commercial Code that takes effect on July 1, 2001. Requires the Code Editor to consult with the Iowa State Bar Association before making the changes.

# Summary Data

## General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
Education	\$ 0	\$ 0	\$ 0	\$ -600,330	\$ -600,330	
Oversight and Communications	\$ 0	\$ 0	\$ 0	\$ -1,465,835	\$ -1,465,835	
Unassigned Standing	\$ 182,512,511	\$ 182,834,097	\$ 179,131,689	\$ 143,860,420	\$ -35,271,269	
Grand Total	<u>\$ 182,512,511</u>	<u>\$ 182,834,097</u>	<u>\$ 179,131,689</u>	<u>\$ 141,794,255</u>	<u>\$ -37,337,434</u>	
Operations	\$ 68,406,812	\$ 68,505,236	\$ 68,998,918	\$ 46,486,904	\$ -22,512,014	
Grants & Aid	\$ 82,891,336	\$ 82,466,086	\$ 80,891,336	\$ 76,825,171	\$ -4,066,165	
Standing	\$ 31,214,363	\$ 31,862,775	\$ 29,241,435	\$ 18,482,180	\$ -10,759,255	
Grand Total	<u>\$ 182,512,511</u>	<u>\$ 182,834,097</u>	<u>\$ 179,131,689</u>	<u>\$ 141,794,255</u>	<u>\$ -37,337,434</u>	

\* LSB 3667H also appropriates \$14.9 million in FY 2003 for county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment.

\*\*The contingent appropriations of \$26.1 million to the Board of Regents for tuition replacement, and \$9.9 million to the Treasurer of State for ICN debt service are not reflected in this spreadsheet, but are accounted for in SF 535, the Education Bill, and HF 719, the Oversight and Communications Bill.

# Education

## General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Regents, Board of</u>						
Tuition Replacement Change				\$ -600,330	\$ -600,330	PG 5 LN 23
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ -600,330	\$ -600,330	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -600,330</u>	<u>\$ -600,330</u>	



# Oversight and Communications

## General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Treasurer of State</u>						
Iowa Com. Net. Replacement				\$ -1,465,835	\$ -1,465,835	PG 6 LN 27
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ -1,465,835	\$ -1,465,835	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -1,465,835</u>	<u>\$ -1,465,835</u>	

# Unassigned Standing

## General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Corrections, Department of</u></b>						
State Cases	\$ 37,500	\$ 0	\$ 66,370	\$ 0	\$ -66,370	PG 4 LN 5
<b><u>Education, Department of</u></b>						
Child Development	\$ 15,360,000	\$ 15,358,469	\$ 12,560,000	\$ 11,560,000	\$ -1,000,000	PG 3 LN 1
Transportation/Nonpublic	7,598,000	8,010,644	8,150,000	7,645,000	-505,000	PG 3 LN 11
Educational Excellence	82,891,336	82,466,086	80,891,336	78,891,336	-2,000,000	PG 3 LN 18
Technology/School Improvement	30,000,000	30,000,000	30,000,000	10,000,000	-20,000,000	PG 2 LN 29
Area Ed. Assoc. Reduction				-6,500,000	-6,500,000	PG 2 LN 13
<b>Total Education, Department of</b>	<b>\$ 135,849,336</b>	<b>\$ 135,835,199</b>	<b>\$ 131,601,336</b>	<b>\$ 101,596,336</b>	<b>\$ -30,005,000</b>	
<b><u>Executive Council</u></b>						
Performance of Duty	\$ 5,598,646	\$ 4,999,672	\$ 2,500,000	\$ 1,500,000	\$ -1,000,000	PG 1 LN 27
<b><u>Legislative Branch</u></b>						
Legislature	\$ 23,046,812	\$ 23,146,767	\$ 26,438,918	\$ 24,926,904	\$ -1,512,014	PG 1 LN 21
<b><u>Inspections &amp; Appeals, Dept of</u></b>						
Poultry Show Exhibit Reimb	\$ 500	\$ 500	\$ 500	\$ 0	\$ -500	PG 4 LN 12
<b><u>Management, Department of</u></b>						
Indian Settlement Officer	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0	\$ -25,000	PG 3 LN 33
Appeal Board	7,035,006	8,337,765	7,500,000	5,500,000	-2,000,000	PG 1 LN 33
<b>Total Management, Department of</b>	<b>\$ 7,060,006</b>	<b>\$ 8,362,765</b>	<b>\$ 7,525,000</b>	<b>\$ 5,500,000</b>	<b>\$ -2,025,000</b>	
<b><u>Secretary of State</u></b>						
Constitutional Amendments	\$ 1,380,307	\$ 10,766	\$ 2,565	\$ 0	\$ -2,565	PG 2 LN 6
<b><u>Transportation, Department of</u></b>						
Public Transit Assistance	\$ 9,539,404	\$ 10,478,428	\$ 10,997,000	\$ 10,337,180	\$ -659,820	PG 3 LN 25
<b>Total Unassigned Standing</b>	<b>\$ 182,512,511</b>	<b>\$ 182,834,097</b>	<b>\$ 179,131,689</b>	<b>\$ 143,860,420</b>	<b>\$ -35,271,269</b>	

# Unassigned Standing

## General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
Operations	\$ 68,406,812	\$ 68,505,236	\$ 68,998,918	\$ 46,486,904	\$ -22,512,014	
Grants & Aid	\$ 82,891,336	\$ 82,466,086	\$ 80,891,336	\$ 78,891,336	\$ -2,000,000	
Standing	\$ 31,214,363	\$ 31,862,775	\$ 29,241,435	\$ 18,482,180	\$ -10,759,255	
Grand Total	<u>\$ 182,512,511</u>	<u>\$ 182,834,097</u>	<u>\$ 179,131,689</u>	<u>\$ 143,860,420</u>	<u>\$ -35,271,269</u>	

# Summary Data

## Non General Fund

LSB3667H	Actual	Actual	Estimated Net	House Subcom	House Sub vs	Page & Line
	FY 1999	FY 2000	FY 2001	FY 2002	Est FY 2001	Number
	(1)	(2)	(3)	(4)	(5)	(6)
Administration and Regulation	\$ 0	\$ 0	\$ 0	\$ 10,617,000	\$ 10,617,000	
Education	\$ 0	\$ 0	\$ 0	\$ 600,330	\$ 600,330	
Justice System	\$ 0	\$ 0	\$ 0	\$ 5,182,272	\$ 5,182,272	
Oversight and Communications	\$ 0	\$ 0	\$ 0	\$ 1,465,835	\$ 1,465,835	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,865,437</u>	<u>\$ 17,865,437</u>	
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ 17,865,437	\$ 17,865,437	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,865,437</u>	<u>\$ 17,865,437</u>	

# Administration and Regulation

## Non General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Treasurer of State</u>						
Tob. Attorney Payment-Tobacco				\$ 10,617,000	\$ 10,617,000	PG 8 LN 5
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ 10,617,000	\$ 10,617,000	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,617,000</u>	<u>\$ 10,617,000</u>	

# Education

## Non General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Regents, Board of</u>						
Tuition Replacement-Tobacco				\$ 600,330	\$ 600,330	PG 6 LN 7
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ 600,330	\$ 600,330	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 600,330</u>	<u>\$ 600,330</u>	

# Justice System

## Non General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Treasurer of State</u>						
Prison Debt Service-Tobacco				\$ 5,182,272	\$ 5,182,272	PG 7 LN 29
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ 5,182,272	\$ 5,182,272	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,182,272</u>	<u>\$ 5,182,272</u>	

# Oversight and Communications

## Non General Fund

LSB3667H	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	House Subcom FY 2002	House Sub vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Treasurer of State</u>						
Iowa Com. Network-Tobacco Fund				\$ 1,465,835	\$ 1,465,835	PG 7 LN 4
Grants & Aid	\$ 0	\$ 0	\$ 0	\$ 1,465,835	\$ 1,465,835	
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,465,835</u>	<u>\$ 1,465,835</u>	